

**CONFIDENTIAL BUSINESS INFORMATION**

**Ledwith, Cara L.**

**From:** Miller, Jeff  
**Sent:** Tuesday, October 11, 2011 12:56 PM  
**To:** Ginolfi, Stephen (Heritage Holdings (HHI)) (Stephen.Ginolfi@thehartford.com)  
**Cc:** Ledwith, Cara L.  
**Subject:** Kaiser Cement & Kaiser Gypsum: Notice letters to New England Reinsurance, First State, and Twin City  
**Attachments:** 1-14-11 Response from Hartford.pdf; 12-21-10 First State Notice - EU.pdf; 12-21-10 New England Notice - EU.pdf; 12-21-10 Twin City Notice - EU.pdf; 12-22-10 First State Notice - EU.pdf; 12-22-10 New England Notice - EU.pdf; 12-22-10 Twin City Notice - EU.pdf  
**Categories:** LDW

Steve,

On behalf of Kaiser Cement Corporation ("Kaiser Cement") we sent notice letters dated December 22, 2010 to New England Reinsurance Corporation, First State Insurance Company, and Twin City Fire Insurance Company (attached).

On behalf of Kaiser Gypsum Company, Inc. ("Kaiser Gypsum") we sent notice letters dated December 21, 2010 to New England Reinsurance Company, First State Insurance Company, and Twin City Fire Insurance Company (attached).

We received a letter dated January 14, 2011 from Anthony Loschiavo (attached) that acknowledged the receipt by those companies of a notice letter dated December 17, 2011. The problem is that our December 17, 2011 notice letters were to primary insurers and those letters did not refer to the New England, First State, and Twin City policies.

Will you please acknowledge the receipt by New England Reinsurance Company, First State Insurance Company, and Twin City Fire Insurance Company of the December 21, 2010 and December 22, 2010 notice letters?

It would also be most helpful if you assign separate claim numbers to the coverage claims of Kaiser Cement and Kaiser Gypsum as they are two separate claims for insurance coverage. Kaiser Gypsum and Kaiser Cement are separate legal entities that owned and operated facilities at different locations on the Lower Duwamish Waterway and received separate Section 104(e) information requests from the EPA. The two entities have separately responded to EPA's information request and continue to incur separate and distinct defense costs.

Thank you for your assistance.

Jeff

**Jeff Miller**

**MILLER NASH LLP**

500 East Broadway | Suite 400 | Vancouver, Washington 98660-3324

Office: 360-699-4771 | Fax: 360-694-6413

[Jeff.Miller@MillerNash.com](mailto:Jeff.Miller@MillerNash.com) | [www.millernash.com](http://www.millernash.com)

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Steven F. Hill, P.C.  
Admitted in Washington and Oregon  
steve.hill@millernash.com  
(360) 619-7004 direct line

December 21, 2010

**BY CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

Twin City Fire Insurance Company  
One Hartford Plaza  
Hartford, CT 06115

Twin City Fire Insurance Company  
501 Pennsylvania Parkway, Suite 400  
Indianapolis, IN 46280-0014

Subject: Insured: Kaiser Gypsum Company, Inc.  
Insurer: Twin City Fire Insurance Company  
Policy No. (Periods): TXS100347 (04/01/82-04/01/83)  
Claim: Lower Duwamish Waterway Superfund Site

Dear Ladies and Gentlemen:

We represent Kaiser Gypsum Company, Inc. ("KGC"), in connection with the necessary investigation that it is undertaking in order to respond to the United States Environmental Protection Agency's ("EPA") February 19, 2010 request for information served on KGC pursuant to Section 104(e) of the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 U.S.C. §9604(e). Section 104(e) of CERCLA obligates KGC to respond to EPA's multi-part questions relating to KGC's historical ownership and operations on riparian property that KGC formerly owned along the Lower Duwamish Waterway ("LDW") in Seattle, Washington. The LDW is a waterway that has been listed on the CERCLA National Priorities List as a federal Superfund site (the "LDW Superfund Site") due to the release or substantial threat of release of hazardous substances in or around the waterway. Compliance with the EPA's Section 104(e) information request is required by law, and failure to respond may subject KGC to an EPA enforcement action and civil penalties of up to \$37,500 per day.

KGC is in the process of investigating its historical connection with the LDW. To date, we have only been able to confirm that KGC owned property and

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Twin City Fire Insurance Company  
 December 21, 2010  
 Page 2

operated a gypsum plant at 5931 East Marginal Way S. in Seattle, Washington on the eastern side of the LDW (the "KGC Property") from 1952 to 1978. To date, KGC has not located any former officers or employees of KGC with knowledge of its operations at the KGC Property. On June 23, 2010, KGC filed a preliminary response to EPA's Section 104(e) information request based on the information we were able to gather from real property records, tax records, and certain historical documents that were previously gathered by KGC's defense counsel during KGC's defense of asbestos litigations.

We understand that at or around the time that it ceased active business operations, KGC collected certain of its business records and sent them to storage facilities in California. These documents cover a variety of historical information, and are believed to contain documents related to historical KGC operating facilities in multiple states, including Washington. KGC was able to locate certain indexes of the California documents, but these indexes were not created with EPA's Section 104(e) information request in mind. Therefore, it is very difficult to determine the extent of documents that might contain information responsive to EPA's Section 104(e) information request or the scope of document review that might be necessary to search for such documents. We do know, however, that there are approximately 10,000 boxes of historic documents stored in California.

During preparation of KGC's response to the Section 104(e) information request, we contacted EPA and informed EPA that these historical records existed. We also indicated to EPA that, given the volume of these historical documents, we would not be able to review them by the deadline EPA had imposed for KGC's response. EPA requested that KGC file a preliminary response to the Section 104(e) information request by its deadline using the information and documents readily available to KGC. EPA further requested that KGC agree to conduct a thorough review of the historical records and supplement its response to the Section 104(e) information request in the next few months.

At this time, our office has conducted a preliminary review of the available box indexes for the California documents and it is clear that some boxes may contain information responsive to EPA's Section 104(e) information request. In order to fully respond to EPA's Section 104(e) information request and avoid the imposition of liability on KGC for failing to have done so, counsel for KGC will need to conduct extensive searches of the California documents over the next few months and will need to supplement KGC's preliminary response, as appropriate, based on any responsive information identified as a result of such searches. In sum, KGC needs to undertake the

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Twin City Fire Insurance Company  
December 21, 2010  
Page 3

process of conducting an investigation of the available information in order to complete its legal obligation to respond to EPA's Section 104(e) information request.

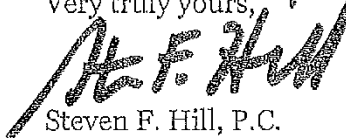
At this time, we do not know if KGC may have contributed to any contamination of the LDW Superfund Site. But as a former owner of property within the boundaries of the LDW Superfund Site, KGC is potentially liable for any contamination of the LDW Superfund Site that may have occurred during KGC's ownership and operation of the KGC Property. In order to assess its potential liability and to comply with its legal obligation to respond to EPA's Section 104(e) information request, KGC is obligated to complete its review of the historical corporate documents stored in California.

Based on our records, Twin City Fire Insurance Company ("Twin City") sold excess and/or umbrella liability insurance policies to KGC or its parent Hanson Permanente Cement, Inc. (formerly known as Kaiser Cement & Gypsum Corporation and Kaiser Cement Corporation), naming KGC as an additional insured, during the period from 1982 through 1983. The specific Twin City policy that we have located to date is listed above.

The EPA's Section 104(e) information request requires KGC to defend itself from any claims that it is a liable party for the contamination discovered in the LDW Superfund Site. Should further review of historical records establish a basis for KGC's potential liability for contamination of the LDW Superfund Site, we expect that EPA will name KGC as a potentially responsible party for the LDW Superfund Site. Accordingly, on behalf of KGC, we hereby put Twin City on notice of this potential claim and request that Twin City provide coverage for this claim and any other claims against KGC that are related to the LDW Superfund Site.

If you have any questions, please e-mail me at [steve.hill@millernash.com](mailto:steve.hill@millernash.com) or call me at 360.699.4771.

Very truly yours,

  
Steven F. Hill, P.C.

cc: Anthony Loschiavo

KG2005900

039391-0009/VANDOCs:50144706.1

7160 3901 9848 8114 0240

**TO:** Twin City Fire Insurance Company  
One Hartford Plaza  
Hartford, CT 06115

**SENDER:** MN/Hill/Ledwith

**REFERENCE:** 030391-0008/0009

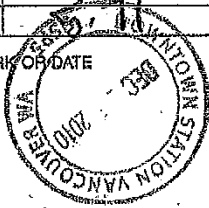
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steve.hill@millernash.com  
(360) 619-7004 direct line

December 21, 2010

**BY CERTIFIED MAIL  
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New England Reinsurance Company  
100 High Street  
Boston, MA 02110-1753

New England Reinsurance Company  
One Hartford Plaza  
Hartford, CT 06115

Subject: Insured: Kaiser Gypsum Company, Inc.  
Insurer: New England Reinsurance Company  
Policy No. (Periods): 684196 (10/01/78-04/01/79)  
684465 (04/01/79-04/01/80)  
Claim: Lower Duwamish Waterway Superfund Site

Dear Ladies and Gentlemen:

We represent Kaiser Gypsum Company, Inc. ("KGC"), in connection with the necessary investigation that it is undertaking in order to respond to the United States Environmental Protection Agency's ("EPA") February 19, 2010 request for information served on KGC pursuant to Section 104(e) of the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 U.S.C. §9604(e). Section 104(e) of CERCLA obligates KGC to respond to EPA's multi-part questions relating to KGC's historical ownership and operations on riparian property that KGC formerly owned along the Lower Duwamish Waterway ("LDW") in Seattle, Washington. The LDW is a waterway that has been listed on the CERCLA National Priorities List as a federal Superfund site (the "LDW Superfund Site") due to the release or substantial threat of release of hazardous substances in or around the waterway. Compliance with the EPA's Section 104(e) information request is required by law, and failure to respond may subject KGC to an EPA enforcement action and civil penalties of up to \$37,500 per day.

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New England Reinsurance Company  
December 21, 2010  
Page 2

KGC is in the process of investigating its historical connection with the LDW. To date, we have only been able to confirm that KGC owned property and operated a gypsum plant at 5931 East Marginal Way S. in Seattle, Washington on the eastern side of the LDW (the "KGC Property") from 1952 to 1978. To date, KGC has not located any former officers or employees of KGC with knowledge of its operations at the KGC Property. On June 23, 2010, KGC filed a preliminary response to EPA's Section 104(e) information request based on the information we were able to gather from real property records, tax records, and certain historical documents that were previously gathered by KGC's defense counsel during KGC's defense of asbestos litigations.

We understand that at or around the time that it ceased active business operations, KGC collected certain of its business records and sent them to storage facilities in California. These documents cover a variety of historical information, and are believed to contain documents related to historical KGC operating facilities in multiple states, including Washington. KGC was able to locate certain indexes of the California documents, but these indexes were not created with EPA's Section 104(e) information request in mind. Therefore, it is very difficult to determine the extent of documents that might contain information responsive to EPA's Section 104(e) information request or the scope of document review that might be necessary to search for such documents. We do know, however, that there are approximately 10,000 boxes of historic documents stored in California.

During preparation of KGC's response to the Section 104(e) information request, we contacted EPA and informed EPA that these historical records existed. We also indicated to EPA that, given the volume of these historical documents, we would not be able to review them by the deadline EPA had imposed for KGC's response. EPA requested that KGC file a preliminary response to the Section 104(e) information request by its deadline using the information and documents readily available to KGC. EPA further requested that KGC agree to conduct a thorough review of the historical records and supplement its response to the Section 104(e) information request in the next few months.

At this time, our office has conducted a preliminary review of the available box indexes for the California documents and it is clear that some boxes may contain information responsive to EPA's Section 104(e) information request. In order to fully respond to EPA's Section 104(e) information request and avoid the imposition of liability on KGC for failing to have done so, counsel for KGC will need to conduct extensive searches of the California documents over the next few months and will need to supplement KGC's preliminary response, as appropriate, based on any responsive

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New England Reinsurance Company  
December 21, 2010  
Page 3

information identified as a result of such searches. In sum, KGC needs to undertake the process of conducting an investigation of the available information in order to complete its legal obligation to respond to EPA's Section 104(e) information request.

At this time, we do not know if KGC may have contributed to any contamination of the LDW Superfund Site. But as a former owner of property within the boundaries of the LDW Superfund Site, KGC is potentially liable for any contamination of the LDW Superfund Site that may have occurred during KGC's ownership and operation of the KGC Property. In order to assess its potential liability and to comply with its legal obligation to respond to EPA's Section 104(e) information request, KGC is obligated to complete its review of the historical corporate documents stored in California.

Based on our records, New England Reinsurance Company ("New England") sold excess and/or umbrella liability insurance policies to KGC or its parent Hanson Permanente Cement, Inc. (formerly known as Kaiser Cement & Gypsum Corporation and Kaiser Cement Corporation), naming KGC as an additional insured, during the period from 1978 through 1980. The specific New England policies that we have located to date are listed above.

The EPA's Section 104(e) information request requires KGC to defend itself from any claims that it is a liable party for the contamination discovered in the LDW Superfund Site. Should further review of historical records establish a basis for KGC's potential liability for contamination of the LDW Superfund Site, we expect that EPA will name KGC as a potentially responsible party for the LDW Superfund Site. Accordingly, on behalf of KGC, we hereby put New England on notice of this potential claim and request that New England provide coverage for this claim and any other claims against KGC that are related to the LDW Superfund Site.

If you have any questions, please e-mail me at [steve.hill@millernash.com](mailto:steve.hill@millernash.com) or call me at 360.699.4771.

Very truly yours,

Steven F. Hill, P.C.

cc: Anthony Loschiavo

KG2005904

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7160 3901 9848 8114 0141

**TO:** New England Reinsurance Company  
100 High Street  
Boston, MA 02110-1753

**SENDER:** MN/Hill/Ledwith

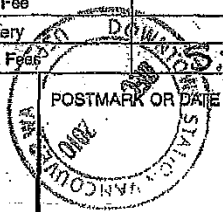
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**TO:** New England Reinsurance Company  
One Hartford Plaza  
Hartford, CT 06115

**SENDER:** MN/Hill/Ledwith

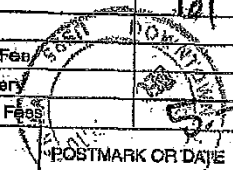
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steve.hill@millernash.com  
(360) 619-7004 direct line

December 21, 2010

**BY CERTIFIED MAIL  
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First State Insurance Company  
c/o Hartford Financial Services Group  
One Hartford Plaza  
Hartford, CT 06155

Subject: Insured: Kaiser Gypsum Company, Inc.  
Insurer: First State Insurance Company  
Policy No. (Periods): 914646 (10/01/77-11/11/77)  
907085 (10/01/77-10/01/78)  
941233 (04/01/83-05/01/84)  
933596 (04/01/83-05/01/84)  
933597 (04/01/83-05/01/84)  
933598 (04/01/83-05/01/84)

Claim: Lower Duwamish Waterway Superfund Site

Dear Ladies and Gentlemen:

We represent Kaiser Gypsum Company, Inc. ("KGC"), in connection with the necessary investigation that it is undertaking in order to respond to the United States Environmental Protection Agency's ("EPA") February 19, 2010 request for information served on KGC pursuant to Section 104(e) of the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 U.S.C. §9604(e). Section 104(e) of CERCLA obligates KGC to respond to EPA's multi-part questions relating to KGC's historical ownership and operations on riparian property that KGC formerly owned along the Lower Duwamish Waterway ("LDW") in Seattle, Washington. The LDW is a waterway that has been listed on the CERCLA National Priorities List as a federal Superfund site (the "LDW Superfund Site") due to the release or substantial threat of release of hazardous substances in or around the waterway. Compliance with the EPA's Section 104(e) information request is required by law, and failure to respond may subject KGC to an EPA enforcement action and civil penalties of up to \$37,500 per day.

**KG2005906**

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First State Insurance Company  
December 21, 2010  
Page 2

KGC is in the process of investigating its historical connection with the LDW. To date, we have only been able to confirm that KGC owned property and operated a gypsum plant at 5931 East Marginal Way S. in Seattle, Washington on the eastern side of the LDW (the "KGC Property") from 1952 to 1978. To date, KGC has not located any former officers or employees of KGC with knowledge of its operations at the KGC Property. On June 23, 2010, KGC filed a preliminary response to EPA's Section 104(e) information request based on the information we were able to gather from real property records, tax records, and certain historical documents that were previously gathered by KGC's defense counsel during KGC's defense of asbestos litigations.

We understand that at or around the time that it ceased active business operations, KGC collected certain of its business records and sent them to storage facilities in California. These documents cover a variety of historical information, and are believed to contain documents related to historical KGC operating facilities in multiple states, including Washington. KGC was able to locate certain indexes of the California documents, but these indexes were not created with EPA's Section 104(e) information request in mind. Therefore, it is very difficult to determine the extent of documents that might contain information responsive to EPA's Section 104(e) information request, or the scope of document review that might be necessary to search for such documents. We do know, however, that there are approximately 10,000 boxes of historic documents stored in California.

During preparation of KGC's response to the Section 104(e) information request, we contacted EPA and informed EPA that these historical records existed. We also indicated to EPA that, given the volume of these historical documents, we would not be able to review them by the deadline EPA had imposed for KGC's response. EPA requested that KGC file a preliminary response to the Section 104(e) information request by its deadline using the information and documents readily available to KGC. EPA further requested that KGC agree to conduct a thorough review of the historical records and supplement its response to the Section 104(e) information request in the next few months.

At this time, our office has conducted a preliminary review of the available box indexes for the California documents and it is clear that some boxes may contain information responsive to EPA's Section 104(e) information request. In order to fully respond to EPA's Section 104(e) information request and avoid the imposition of liability on KGC for failing to have done so, counsel for KGC will need to conduct extensive searches of the California documents over the next few months and will need to supplement KGC's preliminary response, as appropriate, based on any responsive

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December 21, 2010  
Page 3

information identified as a result of such searches. In sum, KGC needs to undertake the process of conducting an investigation of the available information in order to complete its legal obligation to respond to EPA's Section 104(e) information request.

At this time, we do not know if KGC may have contributed to any contamination of the LDW Superfund Site. But as a former owner of property within the boundaries of the LDW Superfund Site, KGC is potentially liable for any contamination of the LDW Superfund Site that may have occurred during KGC's ownership and operation of the KGC Property. In order to assess its potential liability and to comply with its legal obligation to respond to EPA's Section 104(e) information request, KGC is obligated to complete its review of the historical corporate documents stored in California.

Based on our records, First State Insurance Company ("First State") sold excess and/or umbrella liability insurance policies to KGC or its parent Hanson Permanente Cement, Inc. (formerly known as Kaiser Cement & Gypsum Corporation and Kaiser Cement Corporation), naming KGC as an additional insured, during the period from 1977 through 1984. The specific First State policies that we have located to date are listed above.

The EPA's Section 104(e) information request requires KGC to defend itself from any claims that it is a liable party for the contamination discovered in the LDW Superfund Site. Should further review of historical records establish a basis for KGC's potential liability for contamination of the LDW Superfund Site, we expect that EPA will name KGC as a potentially responsible party for the LDW Superfund Site. Accordingly, on behalf of KGC, we hereby put First State on notice of this potential claim and request that First State provide coverage for this claim and any other claims against KGC that are related to the LDW Superfund Site.

If you have any questions, please e-mail me at [steve.hill@millernash.com](mailto:steve.hill@millernash.com) or call me at 360.699.4771.

Very truly yours,

Steven F. Hill, P.C.

cc: Anthony Loschiavo

KG2005908

039391-0009/VANDOC5:50144706.1

**CONFIDENTIAL BUSINESS INFORMATION**

7160 3701 9848 8113 9633

**TO:** First State Insurance Company  
c/o Hartford Financial Services Group  
One Hartford Plaza  
Hartford, CT 06155

**SENDER:** MN/Hill/Ledwith

**REFERENCE:** 030391-0008/0009

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Admitted in Washington and Oregon  
steve.hill@millernash.com  
(360) 619-7004 direct line

December 22, 2010

**BY CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

Twin City Fire Insurance Company  
One Hartford Plaza  
Hartford, CT 06115

Twin City Fire Insurance Company  
501 Pennsylvania Parkway, Suite 400  
Indianapolis, IN 46280-0014

Subject: Insured: Kaiser Cement Corporation  
Insurer: Twin City Fire Insurance Company  
Policy No. (Periods): TXS100347 (04/01/82-04/01/83)  
Claim: Lower Duwamish Waterway Superfund Site

Dear Ladies and Gentlemen:

We represent Kaiser Cement Corporation, now known as Hanson Permanente Cement, Inc. ("KCC"), in connection with the necessary investigation that it is undertaking in order to respond to the United States Environmental Protection Agency's ("EPA") February 19, 2010 request for information served on KCC pursuant to Section 104(e) of the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 U.S.C. § 9604(e). Section 104(e) of CERCLA obligates KCC to respond to EPA's multi-part questions relating to KCC's historical ownership and operations on riparian property that KCC formerly owned along the Lower Duwamish Waterway ("LDW") in Seattle, Washington. The LDW is a waterway that has been listed on the CERCLA National Priorities List as a federal Superfund site (the "LDW Superfund Site") due to the release or substantial threat of release of hazardous substances in or around the waterway. Compliance with the EPA's Section 104(e) information request is required by law, and failure to respond may subject KCC to an EPA enforcement action and civil penalties of up to \$37,500 per day.

KCC is in the process of investigating its historical connection with the LDW. To date, we have only been able to confirm that KCC owned property and

KG2005910

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Twin City Fire Insurance Company  
December 22, 2010  
Page 2

conducted cement operations at two separate locations along the LDW, including 5906 West Marginal Way S.W. (the "Westside Property") and 5975 East Marginal Way S. (the "Eastside Property") in Seattle, Washington (collectively referred to as the "Seattle Properties"). In addition, our preliminary review of historical documents, including publicly available real property records, has confirmed the following:

- KCC purchased a portion of the Eastside Property in June 1944. KCC constructed a cement distribution facility on the Eastside Property, which started operation in approximately October 1946. The facilities on the Eastside Property that were owned and operated by KCC included a dolphin pier, silos, storage facilities, a sacking plant, railroad spurs, truck loading accommodations, and an office building.
- In December 1953, KCC sold a portion of the Eastside Property to Kaiser Gypsum Company, Inc.
- In October 1958, KCC purchased additional real property, including a water inlet, from Commercial Waterway District No. 1, in order to expand the Eastside Property.
- In January 1965, KCC entered into a long-term lease with the Port of Seattle (the "Port") for the Westside Property. A condition of the lease required KCC to build a cement manufacturing and distribution facility. This facility was constructed and began operations in 1967. KCC entered into a real estate contract with the Port in May 1969. By fulfillment deed, KCC acquired fee title in the Westside Property on September 17, 1973.
- On October 1, 1985, KCC sold all of its interest in the remainder of the Eastside Property to Riedel International, Inc.
- On April 14, 1987, KCC sold all of its interest in the Westside Property to Lone Star Industries, Inc.

KCC has not located any former officers or employees of KCC with knowledge of its operations at the Seattle Properties. On June 23, 2010, KCC filed a preliminary response to EPA's Section 104(e) information request based on the information we were able to gather, including the information recited above, from real

KG2005911

039391-0008/VANDOC5:50144708.1

  
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Twin City Fire Insurance Company  
December 22, 2010  
Page 3

property records, tax records, and certain historical documents that were previously gathered by KCC's defense counsel during KCC's defense of asbestos litigations.

We understand that at or around the time that it ceased active business operations, KCC collected certain of its business records and sent them to storage facilities in California. These documents cover a variety of historical information, and are believed to contain documents related to historical KCC operating facilities in multiple states, including Washington. KCC was able to locate certain indexes of the California documents, but these indexes were not created with EPA's Section 104(e) information request in mind. Therefore, it is very difficult to determine the extent of documents that might contain information responsive to EPA's Section 104(e) information request or the scope of document review that might be necessary to search for such documents. We do know, however, that there are approximately 10,000 boxes of historic documents stored in California.

During preparation of KCC's response to the Section 104(e) information request, we contacted EPA and informed EPA that these historical records existed. We also indicated to EPA that, given the volume of these historical documents, we would not be able to review them by the deadline EPA had imposed for KCC's response. EPA requested that KCC file a preliminary response to the Section 104(e) information request by its deadline using the information and documents readily available to KCC. EPA further requested that KCC agree to conduct a thorough review of the historical records and supplement its response to the Section 104(e) information request in the next few months.

At this time, our office has conducted a preliminary review of the available box indexes for the California documents and it is clear that some boxes may contain information responsive to EPA's Section 104(e) information request. In order to fully respond to EPA's Section 104(e) information request and avoid the imposition of liability on KCC for failing to have done so, counsel for KCC will need to conduct extensive searches of the California documents over the next few months and will need to supplement KCC's preliminary response, as appropriate, based on any responsive information identified as a result of such searches. In sum, KCC needs to undertake the process of conducting an investigation of the available information in order to complete its legal obligation to respond to EPA's Section 104(e) information request.

At this time, we do not know if KCC may have contributed to any contamination of the LDW Superfund Site. But as a former owner of property within the boundaries of the LDW Superfund Site, KCC is potentially liable for any contamination of the LDW Superfund Site that may have occurred during KCC's

KG2005912

039391-0008/VANDOC5:50144708.1

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Twin City Fire Insurance Company  
December 22, 2010  
Page 4

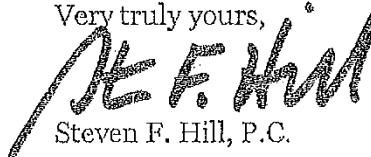
ownership and operation of the Seattle Properties. In order to assess its potential liability and to comply with its legal obligation to respond to EPA's Section 104(e) information request, KCC is obligated to complete its review of the historical corporate documents stored in California.

Based on our records, Twin City Fire Insurance Company ("Twin City") sold excess and/or umbrella liability insurance policies to KCC (formerly known as Permanente Cement Company and Kaiser Cement & Gypsum Corporation), naming KCC as an additional insured, during the period from 1982 through 1983. The specific Twin City policy that we have located to date is listed above.

The EPA's Section 104(e) information request requires KCC to defend itself from any claims that it is a liable party for the contamination discovered in the LDW Superfund Site. Should further review of historical records establish a basis for KCC's potential liability for contamination of the LDW Superfund Site, we expect that EPA will name KCC as a potentially responsible party for the LDW Superfund Site. Accordingly, on behalf of KCC, we hereby put Twin City on notice of this potential claim and request that Twin City provide coverage for this claim and any other claims against KCC that are related to the LDW Superfund Site.

If you have any questions, please e-mail me at [steve.hill@millernash.com](mailto:steve.hill@millernash.com) or call me at 360.699.4771.

Very truly yours,

  
Steven F. Hill, P.C.

cc: Anthony Loschiavo

KG2005913

7160 3901 9848 8114 0790

**TO:** Twin City Fire Insurance Company  
One Hartford Plaza  
Hartford, CT 06115

**SENDER:** MN/Hill/Ledwith

**REFERENCE:** 030391-0008/0009

PS Form 3800, January 2005

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7160 3901 9848 8114 0806

**TO:** Twin City Fire Insurance Company  
501 Pennsylvania Parkway, Suite 400  
Indianapolis, IN 46280-0014

**SENDER:** MN/Hill/Ledwith

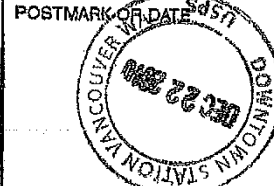
**REFERENCE:** 030391-0008/0009

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500 East Broadway  
Suite 400  
Vancouver, Washington 98660-3324  
OFFICE 360.699.4771  
FAX 360.694.6413

Steven F. Hill, P.C.  
Admitted in Washington and Oregon  
steve.hill@millernash.com  
(360) 619-7004 direct line

December 22, 2010

**BY CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

New England Reinsurance Company  
100 High Street  
Boston, MA 02110-1753

New England Reinsurance Company  
One Hartford Plaza  
Hartford, CT 06115

Subject: Insured: Kaiser Cement Corporation  
Insurer: New England Reinsurance Company  
Policy No. (Periods): 684196 (10/01/78-04/01/79)  
684465 (04/01/79-04/01/80)  
Claim: Lower Duwamish Waterway Superfund Site

Dear Ladies and Gentlemen:

We represent Kaiser Cement Corporation, now known as Hanson Permanente Cement, Inc. ("KCC"), in connection with the necessary investigation that it is undertaking in order to respond to the United States Environmental Protection Agency's ("EPA") February 19, 2010 request for information served on KCC pursuant to Section 104(e) of the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 U.S.C. § 9604(e). Section 104(e) of CERCLA obligates KCC to respond to EPA's multi-part questions relating to KCC's historical ownership and operations on riparian property that KCC formerly owned along the Lower Duwamish Waterway ("LDW") in Seattle, Washington. The LDW is a waterway that has been listed on the CERCLA National Priorities List as a federal Superfund site (the "LDW Superfund Site") due to the release or substantial threat of release of hazardous substances in or around the waterway. Compliance with the EPA's Section 104(e) information request is required by law, and failure to respond may subject KCC to an EPA enforcement action and civil penalties of up to \$37,500 per day.

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New England Reinsurance Company  
 December 22, 2010  
 Page 2

KCC is in the process of investigating its historical connection with the LDW. To date, we have only been able to confirm that KCC owned property and conducted cement operations at two separate locations along the LDW, including 5906 West Marginal Way S.W. (the "Westside Property") and 5975 East Marginal Way S. (the "Eastside Property") in Seattle, Washington (collectively referred to as the "Seattle Properties"). In addition, our preliminary review of historical documents, including publicly available real property records, has confirmed the following:

- KCC purchased a portion of the Eastside Property in June 1944. KCC constructed a cement distribution facility on the Eastside Property, which started operation in approximately October 1946. The facilities on the Eastside Property that were owned and operated by KCC included a dolphin pier, silos, storage facilities, a sacking plant, railroad spurs, truck loading accommodations, and an office building.
- In December 1953, KCC sold a portion of the Eastside Property to Kaiser Gypsum Company, Inc.
- In October 1958, KCC purchased additional real property, including a water inlet, from Commercial Waterway District No. 1, in order to expand the Eastside Property.
- In January 1965, KCC entered into a long-term lease with the Port of Seattle (the "Port") for the Westside Property. A condition of the lease required KCC to build a cement manufacturing and distribution facility. This facility was constructed and began operations in 1967. KCC entered into a real estate contract with the Port in May 1969. By fulfillment deed, KCC acquired fee title in the Westside Property on September 17, 1973.
- On October 1, 1985, KCC sold all of its interest in the remainder of the Eastside Property to Riedel International, Inc.
- On April 14, 1987, KCC sold all of its interest in the Westside Property to Lone Star Industries, Inc.

KCC has not located any former officers or employees of KCC with knowledge of its operations at the Seattle Properties. On June 23, 2010, KCC filed a preliminary response to EPA's Section 104(e) information request based on the

KG2005916

039391-0008/VANDOCs:50144708.1



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New England Reinsurance Company  
 December 22, 2010  
 Page 3

information we were able to gather, including the information recited above, from real property records, tax records, and certain historical documents that were previously gathered by KCC's defense counsel during KCC's defense of asbestos litigations.

We understand that at or around the time that it ceased active business operations, KCC collected certain of its business records and sent them to storage facilities in California. These documents cover a variety of historical information, and are believed to contain documents related to historical KCC operating facilities in multiple states, including Washington. KCC was able to locate certain indexes of the California documents, but these indexes were not created with EPA's Section 104(e) information request in mind. Therefore, it is very difficult to determine the extent of documents that might contain information responsive to EPA's Section 104(e) information request or the scope of document review that might be necessary to search for such documents. We do know, however, that there are approximately 10,000 boxes of historic documents stored in California.

During preparation of KCC's response to the Section 104(e) information request, we contacted EPA and informed EPA that these historical records existed. We also indicated to EPA that, given the volume of these historical documents, we would not be able to review them by the deadline EPA had imposed for KCC's response. EPA requested that KCC file a preliminary response to the Section 104(e) information request by its deadline using the information and documents readily available to KCC. EPA further requested that KCC agree to conduct a thorough review of the historical records and supplement its response to the Section 104(e) information request in the next few months.

At this time, our office has conducted a preliminary review of the available box indexes for the California documents and it is clear that some boxes may contain information responsive to EPA's Section 104(e) information request. In order to fully respond to EPA's Section 104(e) information request and avoid the imposition of liability on KCC for failing to have done so, counsel for KCC will need to conduct extensive searches of the California documents over the next few months and will need to supplement KCC's preliminary response, as appropriate, based on any responsive information identified as a result of such searches. In sum, KCC needs to undertake the process of conducting an investigation of the available information in order to complete its legal obligation to respond to EPA's Section 104(e) information request.

At this time, we do not know if KCC may have contributed to any contamination of the LDW Superfund Site. But as a former owner of property within the boundaries of the LDW Superfund Site, KCC is potentially liable for any

KG2005917

039391-0008/VANDOC5:50144708.1

  
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New England Reinsurance Company  
December 22, 2010  
Page 4

contamination of the LDW Superfund Site that may have occurred during KCC's ownership and operation of the Seattle Properties. In order to assess its potential liability and to comply with its legal obligation to respond to EPA's Section 104(e) information request, KCC is obligated to complete its review of the historical corporate documents stored in California.

Based on our records, New England Reinsurance Company ("New England") sold excess and/or umbrella liability insurance policies to KCC (formerly known as Permanente Cement Company and Kaiser Cement & Gypsum Corporation), naming KCC as an additional insured, during the period from 1978 through 1980. The specific New England policies that we have located to date are listed above.

The EPA's Section 104(e) information request requires KCC to defend itself from any claims that it is a liable party for the contamination discovered in the LDW Superfund Site. Should further review of historical records establish a basis for KCC's potential liability for contamination of the LDW Superfund Site, we expect that EPA will name KCC as a potentially responsible party for the LDW Superfund Site. Accordingly, on behalf of KCC, we hereby put New England on notice of this potential claim and request that New England provide coverage for this claim and any other claims against KCC that are related to the LDW Superfund Site.

If you have any questions, please e-mail me at [steve.hill@millernash.com](mailto:steve.hill@millernash.com) or call me at 360.699.4771.

Very truly yours,

  
Steven F. Hill, P.C.

cc: Anthony Loschiavo

KG2005918

039391-0008/VANDOC5:50144708.1

7160 3901 9848 8114 0431

**TO:** New England Reinsurance Company  
One Hartford Plaza  
Hartford, CT 06115

**SENDER:** MN/Hill/Ledwith

**REFERENCE:** 030391-0008/0009

PS Form 3800, January 2005

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7160 3901 9848 8114 0424

**TO:** New England Reinsurance Company  
100 High Street  
Boston, MA 02110-1753

**SENDER:** MN/Hill/Ledwith

**REFERENCE:** 030391-0008/0009

PS Form 3800, January 2005

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Suite 400  
Vancouver, Washington 98660-3324  
OFFICE 360.699.4771  
FAX 360.694.6413

Steven F. Hill, P.C.  
Admitted in Washington and Oregon  
steve.hill@millernash.com  
(360) 619-7004 direct line

December 22, 2010

**BY CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

First State Insurance Company  
c/o Hartford Financial Services Group  
One Hartford Plaza  
Hartford, CT 06155

Subject: Insured: Kaiser Cement Corporation  
Insurer: First State Insurance Company  
Policy No. (Periods): 914646 (10/01/77-11/11/77)  
907085 (10/01/77-10/01/78)  
941233 (04/01/83-05/01/84)  
933596 (04/01/83-05/01/84)  
933597 (04/01/83-05/01/84)  
933598 (04/01/83-05/01/84)

Claim: Lower Duwamish Waterway Superfund Site

Dear Ladies and Gentlemen:

We represent Kaiser Cement Corporation, now known as Hanson Permanente Cement, Inc. ("KCC"), in connection with the necessary investigation that it is undertaking in order to respond to the United States Environmental Protection Agency's ("EPA") February 19, 2010 request for information served on KCC pursuant to Section 104(e) of the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 U.S.C. § 9604(e). Section 104(e) of CERCLA obligates KCC to respond to EPA's multi-part questions relating to KCC's historical ownership and operations on riparian property that KCC formerly owned along the Lower Duwamish Waterway ("LDW") in Seattle, Washington. The LDW is a waterway that has been listed on the CERCLA National Priorities List as a federal Superfund site (the "LDW Superfund Site") due to the release or substantial threat of release of hazardous substances in or around the waterway. Compliance with the EPA's Section 104(e) information request is required by law, and failure to respond may subject KCC to an EPA enforcement action and civil penalties of up to \$37,500 per day.

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039391-0008/VANDOC5:50144708.1

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First State Insurance Company  
 December 22, 2010  
 Page 2

KCC is in the process of investigating its historical connection with the LDW. To date, we have only been able to confirm that KCC owned property and conducted cement operations at two separate locations along the LDW, including 5906 West Marginal Way S.W. (the "Westside Property") and 5975 East Marginal Way S. (the "Eastside Property") in Seattle, Washington (collectively referred to as the "Seattle Properties"). In addition, our preliminary review of historical documents, including publicly available real property records, has confirmed the following:

- KCC purchased a portion of the Eastside Property in June 1944. KCC constructed a cement distribution facility on the Eastside Property, which started operation in approximately October 1946. The facilities on the Eastside Property that were owned and operated by KCC included a dolphin pier, silos, storage facilities, a sacking plant, railroad spurs, truck loading accommodations, and an office building.
- In December 1953, KCC sold a portion of the Eastside Property to Kaiser Gypsum Company, Inc.
- In October 1958, KCC purchased additional real property, including a water inlet, from Commercial Waterway District No. 1, in order to expand the Eastside Property.
- In January 1965, KCC entered into a long-term lease with the Port of Seattle (the "Port") for the Westside Property. A condition of the lease required KCC to build a cement manufacturing and distribution facility. This facility was constructed and began operations in 1967. KCC entered into a real estate contract with the Port in May 1969. By fulfillment deed, KCC acquired fee title in the Westside Property on September 17, 1973.
- On October 1, 1985, KCC sold all of its interest in the remainder of the Eastside Property to Riedel International, Inc.
- On April 14, 1987, KCC sold all of its interest in the Westside Property to Lone Star Industries, Inc.

KCC has not located any former officers or employees of KCC with knowledge of its operations at the Seattle Properties. On June 23, 2010, KCC filed a preliminary response to EPA's Section 104(e) information request based on the

KG2005921

039391-0008/VANDOC5:50144708.1





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First State Insurance Company  
December 22, 2010  
Page 3

information we were able to gather, including the information recited above, from real property records, tax records, and certain historical documents that were previously gathered by KCC's defense counsel during KCC's defense of asbestos litigations.

We understand that at or around the time that it ceased active business operations, KCC collected certain of its business records and sent them to storage facilities in California. These documents cover a variety of historical information, and are believed to contain documents related to historical KCC operating facilities in multiple states, including Washington. KCC was able to locate certain indexes of the California documents, but these indexes were not created with EPA's Section 104(e) information request in mind. Therefore, it is very difficult to determine the extent of documents that might contain information responsive to EPA's Section 104(e) information request or the scope of document review that might be necessary to search for such documents. We do know, however, that there are approximately 10,000 boxes of historic documents stored in California.

During preparation of KCC's response to the Section 104(e) information request, we contacted EPA and informed EPA that these historical records existed. We also indicated to EPA that, given the volume of these historical documents, we would not be able to review them by the deadline EPA had imposed for KCC's response. EPA requested that KCC file a preliminary response to the Section 104(e) information request by its deadline using the information and documents readily available to KCC. EPA further requested that KCC agree to conduct a thorough review of the historical records and supplement its response to the Section 104(e) information request in the next few months.

At this time, our office has conducted a preliminary review of the available box indexes for the California documents and it is clear that some boxes may contain information responsive to EPA's Section 104(e) information request. In order to fully respond to EPA's Section 104(e) information request and avoid the imposition of liability on KCC for failing to have done so, counsel for KCC will need to conduct extensive searches of the California documents over the next few months and will need to supplement KCC's preliminary response, as appropriate, based on any responsive information identified as a result of such searches. In sum, KCC needs to undertake the process of conducting an investigation of the available information in order to complete its legal obligation to respond to EPA's Section 104(e) information request.

At this time, we do not know if KCC may have contributed to any contamination of the LDW Superfund Site. But as a former owner of property within the boundaries of the LDW Superfund Site, KCC is potentially liable for any

KG2005922



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December 22, 2010  
Page 4

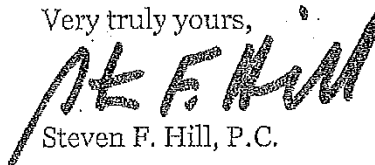
contamination of the LDW Superfund Site that may have occurred during KCC's ownership and operation of the Seattle Properties. In order to assess its potential liability and to comply with its legal obligation to respond to EPA's Section 104(e) information request, KCC is obligated to complete its review of the historical corporate documents stored in California.

Based on our records, First State Insurance Company ("First State") sold excess and/or umbrella liability insurance policies to KCC (formerly known as Permanente Cement Company and Kaiser Cement & Gypsum Corporation), naming KCC as an additional insured, during the period from 1977 through 1984. The specific First State policies that we have located to date are listed above.

The EPA's Section 104(e) information request requires KCC to defend itself from any claims that it is a liable party for the contamination discovered in the LDW Superfund Site. Should further review of historical records establish a basis for KCC's potential liability for contamination of the LDW Superfund Site, we expect that EPA will name KCC as a potentially responsible party for the LDW Superfund Site. Accordingly, on behalf of KCC, we hereby put First State on notice of this potential claim and request that First State provide coverage for this claim and any other claims against KCC that are related to the LDW Superfund Site.

If you have any questions, please e-mail me at [steve.hill@millernash.com](mailto:steve.hill@millernash.com) or call me at 360.699.4771.

Very truly yours,



Steven F. Hill, P.C.

cc: Anthony Loschiavo

KG2005923

7140 3901 7848 8114 0615

**TO:**

First State Insurance Company  
c/o Hartford Financial Services Group  
One Hartford Plaza  
Hartford, CT 06155

**SENDER:**

MN/Hill/Ledwith

**REFERENCE:**

030391-0008/0009

PS Form 3800, January 2005

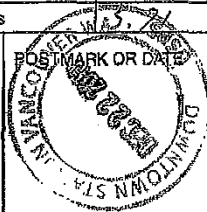
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JAN 24 2011

MILLER NASH LLP

January 14, 2011

SENT VIA FIRST CLASS MAIL

Steven F. Hill, Esq.  
Miller Nash  
500 East Broadway, Suite 400  
Vancouver, WA 98660-3324

Re:	Policyholders:	See Attached Exhibit A
	Insurers:	See Attached Exhibit A
	Policies:	See Attached Exhibit A
	Claim:	104(e) letter from the EPA for the Lower Duwamish Waterway Superfund Site

Dear Mr. Hill:

This letter acknowledges New England Reinsurance Corporation's, First State Insurance Company's, Twin City Fire Insurance Company's and London and Edinburgh Insurance Company, Ltd's (collectively Hartford) receipt of your December 17, 2011 letter (hereinafter, "Letter") advising of the above-captioned matter. Please continue to forward all future correspondences regarding this matter to my attention.

According to the Letter, you advised that Kaiser Cement Corporation ("Kaiser") received a request for information from the United States Environmental Protection Agency ("EPA"), in a letter dated February 19, 2010, that was served on Kaiser pursuant to section 104(e) of CERCLA and 42 U.S.C. section 9604(e). You further advised that the request for information stems from Kaiser's historical ownership and operations on Riparian property Kaiser allegedly owned or performed operations on along the Lower Duwamish Waterway in Seattle, Washington. According to the Letter, a preliminary response was filed by Kaiser on June 23, 2010 and that you expect to supplement and complete Kaiser's response to the EPA's 104(e) letter over the next few months.

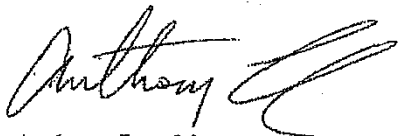
At this time, it appears that no claim has been asserted against Kaiser by the EPA or any other third-party and that this is a notice of a potential claim only. Since this is just a notice of a potential claim, Hartford will take no further action at this time. If this information is incorrect or should this mature into a claim, please contact Hartford as soon as possible.

KG2005925

Hartford reserves the right to rely upon the terms, conditions, and exclusions of the above-referenced policies, whether or not mentioned herein, to deny coverage for this claim. Hartford reserves all of its rights in this matter. Nothing in this letter shall be construed as a waiver of Hartford's rights under the referenced policies, or any other policies, issued to Kaiser.

Should you have any questions or comments, please do not hesitate to contact me.

Very truly yours,



Anthony Loschiavo  
Complex Claim Group  
One Hartford Plaza, T-7-92  
Hartford, CT 06155  
Phone (860) 547-8416  
Fax (877) 905-0403  
Email: [anthony.loschiavo@thehartford.com](mailto:anthony.loschiavo@thehartford.com)

KG2005926

Exhibit A

Policyholder: Permanente Cement Company, et al  
Insurer: London & Edinburgh  
Policies: LC 71361 (09/15/1962 - 09/15/1963)  
LO 61715 (09/15/1962 - 09/15/1963)  
LC 91671 (09/15/1963 - 09/15/1964)

Policyholder: Kaiser Cement & Gypsum Corporation  
Insurer: New England Reinsurance Corporation  
Policies: 684196 effective 10/01/78-04/01/79  
684465 effective 04/01/79-04/01/80

Policy Holder: Kaiser Cement Corporation, et al  
Insurer: Twin City Fire Insurance Company  
Policies: TXS 100347 effective 04/01/82-04/01/83

Policy Holder: Kaiser Cement & Gypsum Corporation  
Insurer: First State Insurance Company  
Policies: 914646 effective 10/01/77-11/11/77  
907085 effective 10/01/77-10/01/78  
941233 effective 04/01/83-05/01/84  
933596 effective 04/01/83-05/01/84  
933597 effective 04/01/83-05/01/84  
933598 effective 04/01/83-05/01/84